

GEF-6 Funding Needs Assessment

Process, Methodology, Results

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Mandate (decision X/26: Terms of Reference)

- I. Assessing the **necessary** biodiversity funding needs for GEF 6 period 2014 – 2018 according to GEF's rules to only cover **incremental costs** to generate **global environmental benefits**

- II. Funding Needs versus Availability:
Exploring the likely **available** funding for biodiversity in GEF 6 period 2014-2018

Methodology: Step-wise approach to assess expected incremental costs for GEF Trust Fund

Methodological steps to arrive at expected incremental costs for the GEF Trust Fund

Possible activities to achieve the Aichi Targets by all CBD Parties (193 countries)	
Elaborate eligible activities from COP decisions and COP guidance to the GEF	
Select activities to achieve the Aichi Targets in GEF eligible countries (155 countries)	Non GEF eligible countries
Estimate total funding needs of selected activities for GEF-6 period 2014-2018 of 3 scenarios	GEF-7 period 2019-2022
Apply incremental reasoning to generate global environmental benefits (10% - 100%) to estimated funding needs of selected activities for GEF-6 period of 3 scenarios	National to local benefits
Apply 1:2 co-funding ratio to obtain expected incremental costs for the GEF Trust Fund	Co-funding from other sources
Apply 1:4 co-funding ratio to obtain expected incremental costs for GEF Trust Fund	Co-funding from other sources
Apply 1:6 co-funding ratio to obtain expected incremental costs for GEF Trust Fund	Co-funding from other sources

Methodology: Challenges and limitations of this first ever exercise

What results have already been achieved (baseline)?

What should be financed by public funds through GEF grants?

What scope of GEF-eligible activities is adequate?

What data and experiences on costs are available?

What are overlaps / synergies between activities / targets?

What are the absorptive capacity of eligible countries?

How can incremental reasoning / global environmental benefits (GEB) be justified?

What may be the co-financing ratio for GEF-projects in future?

Methodology: Target-by-Target assessment

1. Target with rationale from CBD website
2. Drawing activities from COP dec. and GEF guidance
3. Estimating possible costs per activity
4. Defining three levels of ambition: number of projects, number of recipient countries etc.
5. Proposing the incremental reasoning % per activity without co-funding
6. Adding up funding needs per type of activity to three target scenarios
7. Aggregate amounts and apply 3 options of co-financing 1:2, 1:4 and 1:6

Target by Target Assessment

Target 1: By 2020, at the latest, people are aware of the values of biodiversity and the steps they can take to conserve and use it sustainably.

Target 1 Needs Assessment

1. Rationale for T 1:

...requires behavioral change by individuals and by governments...

...further efforts are needed to increase overall public awareness of the various values of biodiversity.

Target 1 Needs Assessment

2. COP decisions and GEF guidance for T 1:

- CBD Article 13: Public Education and Awareness
- The Programme of Work on Communication, Education and Public Awareness (CEPA)
- *COP 10 - Decision X/24: Review of guidance to the financial mechanism, Programme priorities: 4.10: Public education and awareness (Article 13)*

Target 1 Needs Assessment

3. Activities derived from guidance:

A 1: Develop enabling conditions and capacity in countries to engage with CEPA

A 2: Implement CEPA programmes on national level

A 3: Integrate CEPA activities into projects or programmes as components

Target 1 Needs Assessment

3. Estimates of funding needs:

A 1: Develop enabling conditions and capacity in countries to engage with CEPA

US\$ ~ 200. 000 per eligible country

A 2: Implement CEPA programmes on national level

US\$ ~ 800.000 per eligible country

A 3: Integrate CEPA activities into projects or programmes as components

US\$ 0,--, because covered by project costs

Target 1 Needs Assessment

3. Levels of ambition:

In National Reports Parties indicated that they are undertaking CEPA actions! But what and how much? What enabling conditions are in place? unknown
What absorptive / delivery capacities exist? unknown

→ L 1: **30** eligible countries

→ L 2: **60** eligible countries

→ L 3: **90** eligible countries

Target 1 Needs Assessment

3. Incremental Reasoning:

Applying GEF's rule on incremental reasoning

How much GEB do CEPA actions generate?

- The percentage of incremental cost for projects is **AGREED** among the GEF and the recipient country!
- Co-financing options: other donors UNESCO, NGOs, foundations et al

4. Table 1: Estimated Funding Needs of Aichi Target 1 for the GEF-6 period

Target 1 - Awareness of Biodiversity Values Levels of Ambition and Activities	Estimated Total Needs 2014-2018 (in Million US \$)			Incremental Reasoning to achieve global benefits without co-funding	Estimated Needs for GEF-6 Period after Incremental Reasoning (in Million US \$)		
	Scenario				Scenario		
	1	2	3		1	2	3
Level of Ambition 1: 30 eligible countries							
A1. Develop enabling conditions and capacity for CEPA	0,0			covered by target 17			
A2. Implement priority activities of national CEPA programmes	24,0			50%	12,0		
A3. Integrate CEPA activities into projects	0,0			according to project	0,0		
Level of Ambition 2: 60 eligible countries							
A1. Develop enabling conditions and capacity for CEPA		0,0		covered by Target 17			
A2. Implement priority activities of national CEPA programmes		48,0		50%		24,0	
A3. Integrate CEPA activities into projects		0,0		according to project		0,0	
Level of Ambition 3: 90 eligible countries							
A1. Develop enabling conditions and capacity for CEPA			0,0	covered by Target 17			
A2. Implement priority activities of national CEPA programmes			72,0	50%			36,0
A3. Integrate CEPA activities into projects			0,0	according to project			0,0
Total for Target 1	24,0	48,0	72,0		12,0	24,0	36,0

Target by Target Assessment

Target 10: By 2015 the multiple anthropogenic pressures on coral reefs, and other vulnerable ecosystems impacted by climate change or ocean acidification are minimized, so as to maintain their integrity and functioning.

Target 10 Needs Assessment

1. Rationale for T 10:

... **policy response options** to climate change for coral reefs and other vulnerable ecosystems

→ **Climate change roadmap**

... urgently reduce **other anthropogenic pressures** on these vulnerable ecosystems, such as land-based pollution/sedimentation, unsustainable harvesting and physical pressures, so as to increase their resilience to climate change and ocean acidification.

Target 10 Needs Assessment

2. COP decisions and GEF guidance for T 10:

Target is related to relevant COP decisions on

- climate change and biodiversity,
- marine and coastal biodiversity,
- agriculture, Initiative on Food and Nutrition.

- cross-cutting issue addressing drivers
- complex ecological subject to deal with
- mixture of different approaches needed
- Focus on coral reefs only, not other vulnerable

Target 10 Needs Assessment

3. Activities derived from guidance:

A 1: Improve resilience of coral reefs:

- a) Assess pressures from land-based activities
 - b) Develop strategy / action plan to minimize multiple pressures on coral reefs
 - c) Develop / implement integrated coastal zone management programmes and marine spatial planning
- *Establishing new/improving existing C+MPA covered by Target 11 on PAs*

Target 10 Needs Assessment

3. Levels of ambition:

A 1: Improve resilience of coral reefs:

at three levels of ambition

6 new projects at \$20 mill US → \$120 mill US

8 new projects at \$20 mill US → \$160 mill US

10 new projects at \$20 mill US → \$200 mill US

Results: Amounts by Strategic Goals (also detailed table Target-by-Target available)

Table 24: Estimated Amounts according to CBD's Strategic Goals

GOAL AND TARGETS	Estimated Total Amounts for GEF-eligible activities in GEF-6 (in Million US\$)			Estimated Amounts for GEF-eligible Activities in GEF-6 after applying Incremental Reasoning (IR) (in Million US\$)			
	Scenario 1	Scenario 2	Scenario 3	Scenario 1	Scenario 2	Scenario 3	IR %
GOAL A: Mainstreaming Biodiversity (T 1-4)	138,00	283,00	428,00	69,00	141,50	214,00	50%
GOAL B: Reduction of Pressure on BD (T 5-10)	22.487,00	43.849,00	66.211,00	7.503,70	14.361,90	21.729,10	10-80%
GOAL C: Safeguarding Ecosystems (T 11-13)	39.115,00	63.230,00	88.345,00	23.107,50	36.215,00	50.322,50	50-100%
GOAL D: Enhancing the Benefits to All (T 14-16)	12.120,00	24.200,00	36.280,00	4.854,00	9.692,00	14.530,00	40-50%
GOAL E: Enhancing Implementation (T 17-20)	46,50	91,00	141,50	46,00	91,00	141,50	100%
BIOSAFETY	170,00	170,00	170,00	136,00	136,00	136,00	80%
Total	74.076,50	131.823,00	191.575,50	35.716,20	60.592,40	87.073,10	

Results: Amounts for GEF Trust Fund 2014-2018

9 Options for consideration: Estimated Amounts

Estimated Amount Needed for the GEF-6 period 2014-2018 <i>before</i> applying incremental reasoning	Estimated Amount Needed for the GEF-6 period 2014-2018 <i>after</i> applying incremental reasoning	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs		
		applied co-financing ratios		
		1:2	1:4	1:6
Scenario 1: US\$ 74 billion	Scenario 1: US\$ 35 billion	US\$ 11 billion	US\$ 7 billion	US\$ 5 billion
Scenario 2: US\$131 billion	Scenario 2: US\$ 60 billion	US\$ 20 billion	US\$ 12 billion	US\$ 8 billion
Scenario 3: US\$191 billion	Scenario 3: US\$ 87 billion	US\$ 29 billion	US\$ 17 billion	US\$ 12 billion

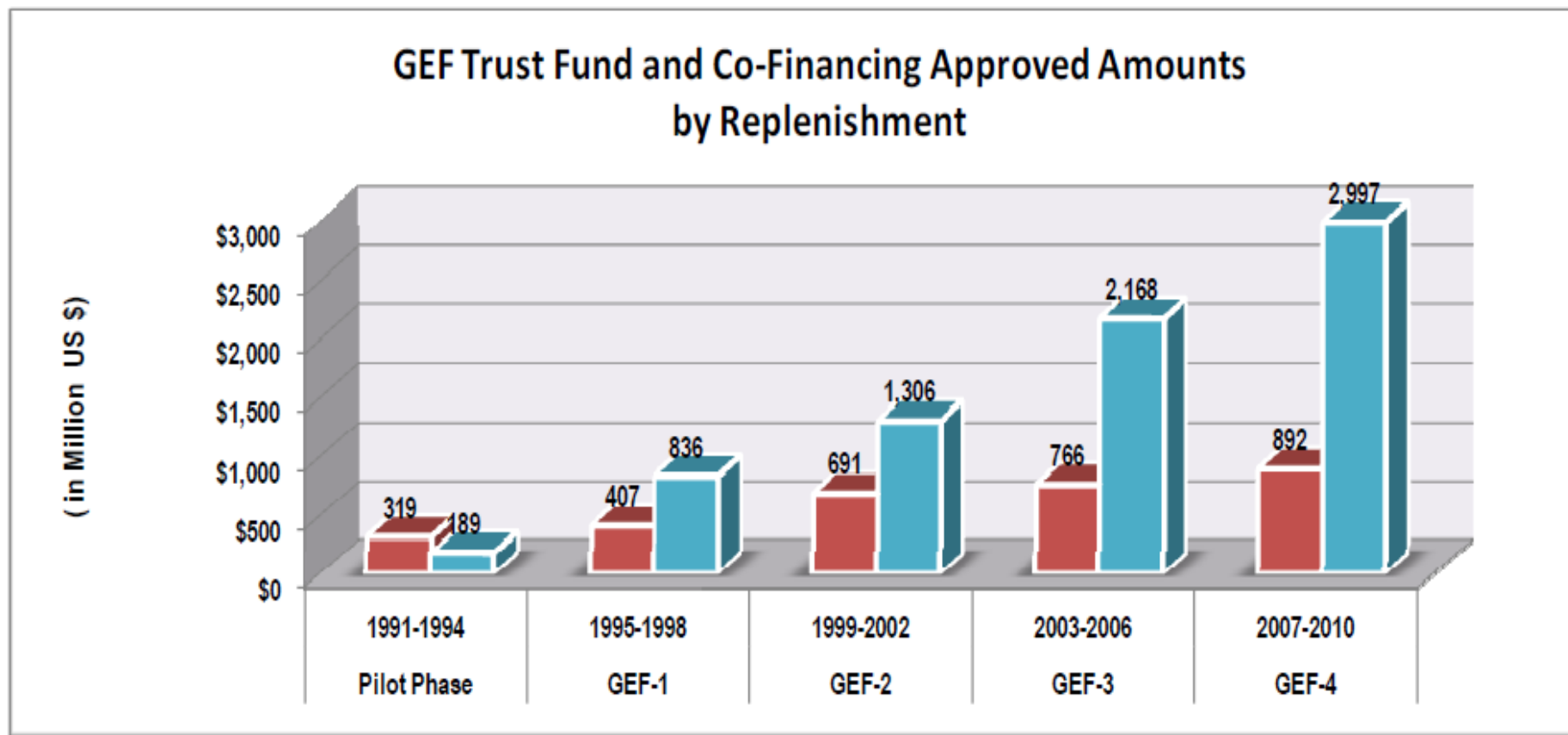
II. Funding Needs versus Availability: the GEF TF

Table 3: Required and Available Amounts from the GEF and calculated increase from GEF-5 to GEF-6

Scenario For GEF-6 Period 2014-2018	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs			Available Amount of the GEF Trust Fund in GEF-5 period 2010-2014 to cover Incremental Costs	Calculated Increase from GEF-5 to GEF-6 based on available Amounts in GEF-5		
	applied co-financing ratio			Biodiversity Focal Area US\$ 1.2 bn	according to co-financing ratio		
	1:2	1:4	1:6	Expected contributions from other GEF Focal Areas and Funds: ~ US\$ 0.4 bn	1:2	1:4	1:6
Scenario 1	US\$ 11 bn	US\$ 7 bn	US\$ 5 bn	US\$ 1.6 bn	~ 7 fold	~4.5 fold	~ 3 fold
Scenario 2	US\$ 20 bn	US\$ 12 bn	US\$ 8 bn	US\$ 1.6 bn	~ 12.5 fold	~7.5 fold	~ 5 fold
Scenario 3	US\$ 29 bn	US\$ 17 bn	US\$ 12 bn	US\$ 1.6 bn	~ 18 fold	~11 fold	~ 7.5 fold

II. Funding Needs versus Availability: the GEF TF

Figure 1: GEF Trust Fund and co-financing approved amounts by replenishment

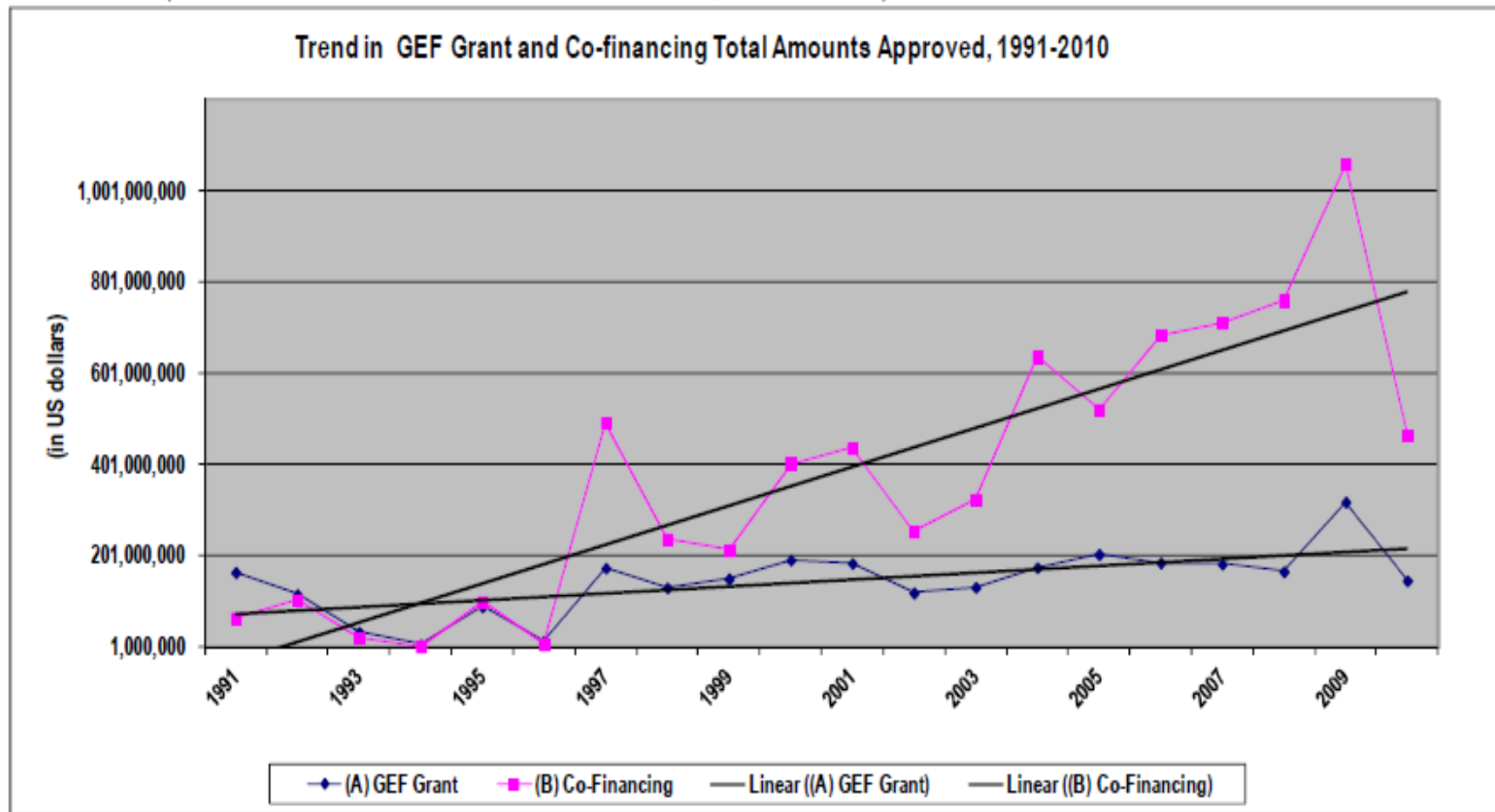


Source: Based on data obtained from the GEF Secretariat, October 2011.

Note: Annual Trust fund including agency fees coverage and co-financing from 1991-2010 were used to estimate the replenishment amounts.

II. Funding Needs versus Availability: the GEF TF

Figure 3: Trend in GEF Trust Fund Grant and Co-Financing Total Amounts Approved for Biodiversity, 1991-2010 (Source: Data obtained from the GEF Secretariat, October 2011)



II. Funding Needs versus Availability: co-funding

Table 4: Calculated Co-financing Needed to Match Expected Amount of Incremental Cost Coverage by the GEF-6 Trust Fund

Scenario For GEF-6 Period 2014-2018	Options on the Amount Required of the GEF Trust Fund for the GEF-6 Replenishment to cover Expected Incremental Costs			Calculated Co-financing Needs in GEF-6 period*		
	applied co-financing ratio			applied co-financing ratio		
	1:2	1:4	1:6	1:2	1:4	1:6
Scenario 1	US\$ 11 bn	US\$ 7 bn	US\$ 5 bn	US\$ 22 bn	US\$ 28 bn	US\$ 30 bn
Scenario 2	US\$ 20 bn	US\$ 12 bn	US\$ 8 bn	US\$ 40 bn	US\$ 48 bn	US\$ 48 bn
Scenario 3	US\$ 29 bn	US\$ 17 bn	US\$ 12 bn	US\$ 58 bn	US\$ 68 bn	US\$ 72 bn

* rounding errors might occur

Some reflections from the Expert Team:

- Strategic Plan 2011-2020 incl. the Aichi Biodiversity Targets is an ambitious framework and new to GEF
- stronger focus on mainstreaming /addressing drivers
- develop Focal Area programmes to better serve country-driven NBSAP implementation
- innovative and intelligent use of the Trust Fund amounts to leverage more co-financing from various sources

- back-up the assessment with country-specific needs assessments → questionnaire and reporting

III. Setting funding targets for IFF

How can the GEF-6 assessment estimates be used to support setting funding targets on “international financial flows” at COP 11?

Estimated Amount Needed for the GEF-6 period 2014-2018 before applying incremental reasoning
Scenario 1: US\$ 74 billion
Scenario 2: US\$131 billion
Scenario 3: US\$191 billion

- a) Scenario 3 likely gives indication of the full amount needed to make progress to achieve Ts in 4 years ~ US\$ 200 billion, → ~ **US\$ 50 billion / year required**
- b) largely public funding to be invested in developing countries (ODA+domestic); → **share of “international financial flows”**
- c) ODA share of public funding for BD historically 20% of public expenditure → **USD 10 billion / year**

(ODA+domestic in LBFB 2012)

III. Setting funding targets for IFF

“international financial flows” = ODA for BD (?)

CBD proposal UNEP/CBD/COP/11/14	2012	2012-2020 9 years	2013-2020 8 years
compounded increase of IFF (for BD = ODA)			
total requirement/a incl baseline, not additional	10.000	90.000	80.000
baseline ODA BD 4.600 bn US\$ (2006-2010)	4.600	41.400	36.800
Gap	5.400	48.600	43.200
compounded increase 10%	4.600	62.466	57.866
compounded increase 17%	4.600	84.110	79.510
compounded increase 18%	4.600	87.795	83.195
compounded increase 19%	4.600	91.648	87.048

GEF-6 Funding Needs Assessment

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Many thanks for your attention.
